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Piedmont Natural Gas

August 29, 2018
Ms. Robin Morrison, Chairman
c/o Sharla Dillon – Docket Room
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: Piedmont Natural Gas Company, Inc., Performance Incentive Plan Report for the period July 1, 2017 – June 30, 2018

Dear Chairman Morrison:

In accordance with the reporting provisions of Service Schedule No. 316, Performance Incentive Plan, ("Plan"), Piedmont Natural Gas Company, Inc. ("Company"), submits the accompanying annual report of shared gas cost savings for the period July 1, 2017 through June 30, 2018.

As the enclosed Gain/Loss Summary page indicates the annual accumulated total gains and savings under the Plan total $4,202,470. Under the Plan's sharing formula, $3,151,853 of these gains and savings is allocated to the Company's Tennessee ratepayers. The remaining $1,050,617 is reflected as the Company's share. Detailed calculations supporting the amounts shown on the Gain/Loss Summary page are provided in this filing. Please note that all enclosures provided in this filing, with the exception of the Gain/Loss Summary page itself, contain CONFIDENTIAL INFORMATION.

Should you need any additional information or have any questions please contact me at (704) 731-4560.

Sincerely,

Jenny Furr
Manager, Regulatory Reporting

cc: Michelle Ramsey
Pia Powers
Bruce Barkley
Jim Jeffries

Piedmont Natural Gas Company, Inc.

Gain / Loss Summary

Report on Performance Incentive Plan

July 2017 - June 2018

Month	Year	Gas Procurement Incentive Mechanism Gain/(Loss) 1/	25% Company GPI Sharing Gain/(Loss) 2/	75% TN Ratepayer GPI Sharing Gain/(Loss)	Capacity Management Incentive Mechanism Gain/(Loss)	25% Company CMI Sharing Gain/(Loss)	75% TN Ratepayer CMI Sharing Gain/(Loss)	Total Gain/(Loss)	25% Total Company Gain/(Loss) 3/	75% Total TN Ratepayer Gain/(Loss) 3/
July	2017	$ 38,358	$ 9,590	$ 28,769	$ 158,333	$ 39,583	$ 118,750	$ 196,692	$ 49,173	$ 147,519
August	2017	$ 39,626	$ 9,906	$ 29,719	$ 158,333	$ 39,583	$ 118,750	$ 197,959	$ 49,490	$ 148,469
September	2017	$ 41,910	$ 10,478	$ 31,433	$ 158,333	$ 39,583	$ 118,750	$ 200,243	$ 50,061	$ 150,183
October	2017	$ 67,954	$ 16,989	$ 50,966	$ 158,333	$ 39,583	$ 118,750	$ 226,288	$ 56,572	$ 169,716
November	2017	$ 27,344	$ 6,836	$ 20,508	$ 377,033	$ 94,258	$ 282,775	$ 404,377	$ 101,094	$ 303,283
December	2017	$ 80,669	$ 20,167	$ 60,502	$ 375,833	$ 93,958	$ 281,875	$ 456,503	$ 114,126	$ 342,377
January	2018	$ 83,558	$ 20,890	$ 62,669	$ 385,501	$ 96,375	$ 289,126	$ 469,060	$ 117,265	$ 351,795
February	2018	$ 45,428	$ 11,357	$ 34,071	$ 375,833	$ 93,958	$ 281,875	$ 421,262	$ 105,315	$ 315,946
March	2018	$ 38,334	$ 9,584	$ 28,751	$ 375,833	$ 93,958	$ 281,875	$ 414,168	$ 103,542	$ 310,626
April	2018	$ 34,812	$ 8,703	$ 26,109	$ 375,833	$ 93,958	$ 281,875	$ 410,645	$ 102,661	$ 307,984
May	2018	$ 35,675	$ 8,919	$ 26,756	$ 375,833	$ 93,958	$ 281,875	$ 411,508	$ 102,877	$ 308,631
June	2018	$ 15,485	$ 3,871	$ 11,614	$ 378,281	$ 94,570	$ 283,711	$ 393,767	$ 98,442	$ 295,325
		$ 549,154	$ 137,288	$ 411,865	$ 3,653,316	$ 913,329	$ 2,739,987	$ 4,202,470	$ 1,050,617	$ 3,151,853

1/ The monthly gain or loss set forth in this column reflects total gains or losses calculated under the gas procurement mechanism.

2/ Company GPI sharing reflects 25% of gains or losses calculated under the gas procurement mechanism.

3/ The Company is subject to a cap on overall gains or losses of $1.6 million annually. Any gains above this cap will be reflected in the Total TN Ratepayer Gain/(Loss) column.

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Summary of Capacity Incentive Mechanism Gain/Loss July 2017 - June 2018

Month	Monthly Capacity Release $	Monthly Offsystem Sales $	Total $	Cumulative Total $	25% Total Company Gain/(Loss)	75% Total TN Ratepayer Gain/(Loss)
Jul-2017	$ 158,333	$ -	$ 158,333	$ 158,333	$ 39,583	$ 118,750
Aug-2017	$ 158,333	$ -	$ 158,333	$ 316,667	$ 39,583	$ 118,750
Sep-2017	$ 158,333	$ -	$ 158,333	$ 475,000	$ 39,583	$ 118,750
Oct-2017	$ 158,333	$ -	$ 158,333	$ 633,333	$ 39,583	$ 118,750
Nov-2017	$ 375,833	$ 1,200	$ 377,033	$ 1,010,367	$ 94,258	$ 282,775
Dec-2017	$ 375,833	$ -	$ 375,833	$ 1,386,200	$ 93,958	$ 281,875
Jan-2018	$ 375,833	$ 9,668	$ 385,501	$ 1,771,701	$ 96,375	$ 289,126
Feb-2018	$ 375,833	$ -	$ 375,833	$ 2,147,535	$ 93,958	$ 281,875
Mar-2018	$ 375,833	$ -	$ 375,833	$ 2,523,368	$ 93,958	$ 281,875
Apr-2018	$ 375,833	$ -	$ 375,833	$ 2,899,201	$ 93,958	$ 281,875
May-2018	$ 375,833	$ -	$ 375,833	$ 3,275,035	$ 93,958	$ 281,875
Jun-2018	$ 375,833	$ 2,448	$ 378,281	$ 3,653,316	$ 94,570	$ 283,711
	$ 3,640,000	$ 13,316	$ 3,653,316		$ 913,329	$ 2,739,987